

**FORM
N-314**
(Rev. 2007)

CARRYOVER OF THE HOTEL CONSTRUCTION AND REMODELING TAX CREDIT

TAX YEAR
2007

Or fiscal year beginning _____, 2007 and ending _____, 20 ____

ATTACH THIS SCHEDULE TO FORM N-11, N-15, N-20, N-30, N-35, N-40, OR N-70NP

Name

SSN or FEIN

COMPUTATION OF TAX CREDIT FOR COSTS INCURRED AFTER NOVEMBER 1, 2001, BUT BEFORE JULY 1, 2003

1. Carryover of unused hotel construction and remodeling tax credit from prior year (see Instructions). This represents your tentative current year hotel construction and remodeling tax credit

1

Tax Liability Limitations (Not to be completed by Form N-20 and Form N-35 filers)

2. **a** Individuals — Enter tax liability amount from Form N-11 or, if applicable, Form N-15.....
b Corporations — Enter tax liability from Form N-30.....
c Other filers — Enter your income tax liability, before credits, from the applicable form

2

3. If you are claiming other credits, complete the credit worksheet in the instructions and enter the total here.

3

4. Line 2 minus line 3. This represents your income tax liability, as adjusted. If the result is zero or less than zero, enter zero on line 4.

4

5. **Total credit allowed** — Enter the smaller of line 1 or line 4. This is your hotel construction and remodeling tax credit allowable for the year. Enter this amount also, rounded to the nearest dollar for individual taxpayers, on the appropriate line for the credit on Schedule CR (for Form N-11, N-15, N-30, and N-70NP filers); **or** on Form N-40, Schedule E (for the estate's or trust's share), whichever is applicable.

5

6. Line 1 minus line 5. This represents your carryover of unused credit. The amount of any unused tax credit may be carried over and used as a credit against your income tax liability in subsequent years until exhausted.

6

GENERAL INSTRUCTIONS

Each taxpayer subject to Hawaii's net income tax and transient accommodations tax was able to claim a hotel construction and remodeling tax credit for a qualified hotel facility located in Hawaii. A nonrefundable tax credit of 10 percent was available for qualified construction or renovation costs incurred after November 1, 2001, but before July 1, 2003. The credit changed to a refundable 4 percent credit for qualified construction or renovation costs incurred after June 30, 2003 through December 31, 2005. See Department of Taxation Announcement No. 2001-20.

The tax credit is not available for taxable years beginning after December 31, 2005. However, you may claim the credit only if you have a carryover of the credit for costs incurred after 11/1/01, but before 7/1/03, and a proper claim of the credit was made.

SPECIFIC INSTRUCTIONS

Computation of Tax Credit for Costs Incurred After 11/1/01, but before 7/1/03

Line 1 — Enter the carryover of unused hotel construction and remodeling tax credit. This is your tentative current year hotel construction and remodeling tax credit.

Tax Liability Limitations

Line 2 — Enter the tax liability before any credits from the appropriate line of your tax return.

Line 3 — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a hotel construction and remodeling tax credit. **Complete the Credit Worksheet** on the back of this form and enter the result on line 3.

Line 5 — Compare the amounts on lines 1 and 4. Enter the smaller of line 1 or 4 here. This is your maximum credit allowed for this taxable year.

Tax credit to be deducted from income tax liability. Tax credits which exceed the taxpayer's net income tax liability may be used as credit against the taxpayer's net income tax liability in subsequent years until exhausted.

(Continued on back)

CREDIT WORKSHEET	
Tax Credit	Amount
a. Ethanol Facility Tax Credit . . .	
b. Income Taxes Paid to another state or foreign country	
c. Enterprise Zone Tax Credit . . .	
d. Carryover of the Energy Conservation Tax Credit	
e. Credit for Employment of Vocational Rehabilitation Referrals	
f. Carryover of the Individual Development Account Contribution Tax Credit	
g. Credit for School Repair and Maintenance	
h. Ko Olina Resort and Marina Attractions and Educational Facilities Tax Credit	
i. Renewable Energy Technologies Income Tax Credit	
j. Credit for Low-Income Household Renters	
k. Credit for Child and Dependent Care Expenses	
l. Credit From a Regulated Investment Company	
m. Fuel Tax Credit for Commercial Fishers	
n. Credit for Child Passenger Restraint Systems	
o. Capital Goods Excise Tax Credit	
p. Motion Picture and Film Production Income Tax Credit	
q. Motion Picture, Digital Media, and Film Production Income Tax Credit	
r. Low-Income Refundable Tax Credit	
s. Tax Credit for Research Activities	
t. Low-Income Housing Tax Credit	
u. High Technology Business Investment Tax Credit	
v. Technology Infrastructure Renovation Tax Credit	
w. Carryover of the Residential Construction and Remodeling Tax Credit	
x. Add lines a through w. Enter the amount here and on line 3.	